



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

6 February 2008

Volume 12 Number 4

LEAD STORIES

WAITING TO START MODALITIES PUSH, WTO
MEMBERS SEEK CLARITY ON SCOPE OF
DISCUSSIONS 1
ROUGH SAILING FOR FISHERIES SUBSIDY TALKS 3

OTHER NEWS

GENERAL COUNCIL PAVES WAY FOR UKRAINE TO
JOIN WTO 5

IN BRIEF

EU-KOREA FREE TRADE NEGOTIATIONS '70
PERCENT COMPLETE' 6

WTO IN BRIEF

ENERGY, SERVICES HOLDING BACK ALGERIA'S
WTO ACCESSION TALKS 7

GENERAL COUNCIL APPROVES COMMITTEE
CHAIRS FOR 2008 7

EVENTS & RESOURCES

EVENTS 8
RESOURCES 9

LEAD STORIES

WAITING TO START MODALITIES PUSH, WTO MEMBERS SEEK CLARITY ON SCOPE OF DISCUSSIONS

As WTO Members kick off another push to conclude an accord in the troubled Doha Round talks, they face an unavoidable conundrum: how to strike a framework 'modalities' deal on agriculture and industrial goods trade (which they now aim to do by March or April), while other issues in the negotiations remain unresolved.

Can Japan, for instance, agree to politically contentious cuts to farm subsidies and tariffs, while running the risk that it may not get any of its eagerly sought reforms to WTO anti-dumping rules? Could the EU face down domestic opposition to agricultural reform without assurances that it would get new protections for geographically-linked foods like Parma ham and Roquefort cheese, or secured overseas opportunities for its services companies? How far could India go on agricultural and industrial tariff reduction without the promise of new concessions for its flourishing information technology sector?

But bringing too many issues onto the table at a 'mini-ministerial' meeting around Easter would lower ministers' chances of striking a modalities agreement, believes WTO Director-General Pascal Lamy. Many Members are calling for a clearer idea about what such a meeting would address, and what it would ignore.

Without a modalities deal by spring, countries would not have time for the six or eight months of technical work needed to finish the round by the end of 2008.

Even before governments can start confronting their respective dilemmas about tradeoffs, Members would have to give a relatively favourable welcome to the draft deals to be issued later this week by the chairs of the agriculture and industrial goods negotiating committees. These texts, if all goes to plan, are supposed to be the basis for starting cross-sectoral 'horizontal' negotiations.

BRIDGES Weekly Trade News Digest is [also available online](http://www.ictsd.org/subscribe) and is updated every week. To subscribe to BRIDGES Weekly Trade News Digest, please visit the ICTSD website at <http://www.ictsd.org/subscribe>

If you require any assistance setting up your BRIDGES Weekly Trade News Digest subscription, please contact Trineesh Biswas, Editor, by email at: bridges_weekly@ictsd.ch, or by telephone at: (41-22) 917-8498

US Trade Representative Susan Schwab last week warned against overcomplicating the agenda for a “modalities ministerial.” Taking disciplines on fisheries subsidies as an example, she said that “we know that if you bring it into a modalities ministerial that you’re never going to get out of the modalities ministerial.” Instead, countries need to identify “the minimum necessary... to get done.”

The US trade chief added that WTO chief Lamy was “quite firm” that he did not want the talks to grow into a “Christmas tree” of different issues.

Single undertaking not enough ‘comfort’

In principle, the Doha Round negotiations have a built-in mechanism to deal with countries’ fears about getting bilked after committing to some concessions. The ‘single undertaking’ principle that “nothing is agreed until everything is agreed” means that a government could veto an eventual Doha package that it found unsatisfactory, even after a modalities deal on agriculture and non-agricultural market access (NAMA).

In practice, however, several Members want progress on their various other priorities alongside any push for modalities on agriculture and NAMA.

“For many members including India, we cannot relinquish the leverage on agriculture and NAMA without in turn obtaining assurance that the issues of our interest will be favourably addressed,” India’s WTO ambassador told a 31 January informal session of the Trade Negotiations Committee (TNC), according to a report in the *Economic Times*. “A mere reiteration of the single undertaking principle or a process roadmap is not enough. We will have to get more concrete than that.”

Lamy had acknowledged this in his introductory address to the TNC, which oversees all of the Doha Round negotiating bodies. “All Members need to have the assurance that all their issues are moving forward towards a broad and balanced outcome,” he said, pointing to the need to afford each the “necessary comfort” to move forward.

Members raise range of issues

The gathering saw several delegations cite areas that they wanted to see addressed either prior to or as part of any ‘horizontal’ negotiation process.

The EU flagged services trade and ‘geographical indication’ protections. Argentina said it was willing to negotiate on regional food names – but only in the next round of WTO negotiations!

US Ambassador Peter Allgeier said that clear timetables are necessary for all of the issues on the Doha agenda. He said that some idea of the depth of future marketing-opening commitments in services trade would be necessary in order for Washington to agree on agriculture and NAMA modalities.

Both the EU and the US have expressed support for a ‘signalling conference’ around the time that agriculture and NAMA modalities are agreed, at which countries would indicate the kind of services commitments they might offer in market access negotiations. Several developing countries, notably the African Group, are opposed to the idea.

Canada and Japan, for their part, mentioned the rules talks. Both are among a group of over twenty Members that have expressed opposition to anti-dumping provisions in an existing draft rules text that would, under limited circumstances, legalise ‘zeroing’, a controversial calculation practice used by the US that they claim inappropriately inflates anti-dumping duties (see *BRIDGES Weekly*, 30 January 2008, <http://www.ictsd.org/weekly/08-01-30/story2.htm>). They want zeroing explicitly banned – a notion to which the US is resolutely opposed.

Specifically citing zeroing, Canada said that both rules and services should be part of the horizontal process. It called for a revised version of the anti-dumping text that would reflect the views of the majority of WTO Members – an unsubtle euphemism for banning zeroing.

One negotiator suggested to Bridges that a new anti-dumping text from the chair of the negotiating group on rules – even if unendorsed by Members – might suffice to give countries demanding movement on anti-dumping the ‘comfort’ they need to proceed on agriculture and NAMA.

India told the TNC that Members need a solid common understanding about any horizontal process before it can begin – for instance, whether ministers would attend (or merely senior officials), and what issues they would cover. India noted that it too had specific areas of concern, such as services, a new anti-dumping text, and a proposal to amend WTO intellectual property rules to require patent applicants to disclose the origin of biological resources or associated traditional knowledge used in their inventions (see *BRIDGES Weekly*, 7 June 2006, <http://www.ictsd.org/weekly/06-06-07/story2.htm>).

Calls for clarity on scope

The wide range of issues raised at the meeting prompted Brazil to warn that Members risked losing

focus, stressing that agreement on agriculture and NAMA was the priority. Norway emphasised the need for clarity about precisely what ministers would discuss.

South Africa cautioned against having ministers try to solve every last issue in the agriculture and industrial trade negotiations.

"We're clear on a procedure but less clear on parameters," concluded Lamy at the end of the meeting. He reminded Members that the negotiating mandate from the July 2004 Framework and the December 2005 Hong Kong Declaration called for addressing agriculture and NAMA first.

Speaking a few days later to a session of the General Council, Lamy said that consultations on the "scope of the horizontal process" would take place "over the coming days and weeks."

Easter too soon for a resurrection?

Lamy told the WTO's top permanent decision-making body on 5 February that following the release of the agriculture and NAMA texts this week, there would be a "brief pause to allow delegations to reflect on the texts and consult their capitals." This would be followed by multilateral discussion in the respective negotiating groups, and finally a "cross-cutting discussion – a negotiation across both texts."

Trade negotiators say that the talks in the two negotiating groups will likely include so-called 'Room E' consultations with ambassadors from two dozen or so representative countries. Some raised the possibility that the texts would be amended before going into a horizontal process that would first involve negotiators and senior officials, and ultimately – barring yet another breakdown – ministers.

USTR Schwab last week said that a significant number of the 40-odd outstanding issues in the agriculture negotiations would need to be resolved before ministers can be expected to iron out the final tradeoffs.

The Doha Round has long been pronounced dead in circles beyond government trade ministries and WTO headquarters. One delegate said that Easter, which falls on 22 March, might be too soon for a mini-ministerial to resurrect it -- and that the first half of April seemed more likely.

Despite clear progress in the negotiations since last September, the official acknowledged that prospects for an agreement this year remained unclear, not least because of the US elections.

ICTSD reporting; "Don't push for premature deal, India tells WTO," ECONOMIC TIMES, 4 February 2008.

ROUGH SAILING FOR FISHERIES SUBSIDY TALKS

Divisions among WTO Members marked discussions last week on a set of potential multilateral disciplines on fisheries subsidy spending.

The talks marked the first formal meeting of the Doha Round negotiating group on rules to discuss the draft consolidated text on fisheries subsidies tabled by Chair Ambassador Guillermo Valles Games (Uruguay) last November.

Particularly contentious were proposed provisions for banning certain kinds of payments and according special and differential treatment to developing countries. This was unsurprising, since the two issues have in recent months been the principal cleavage among Members. India was especially vocal in arguing that the conservation requirements developing countries had to fulfil in order to make ordinarily-prohibited payments were so onerous as to render the rules useless.

Valles Games' text would ban several types of fisheries subsidy payments, particularly those that encourage overfishing through enhancing fishing capacity and creating other incentives to fish. In doing so, he appeared to be searching for an acceptable middle ground between supporters of a 'top-down' blanket ban on fisheries subsidy payments (with negotiated exceptions), and countries that want a 'bottom-up' ban only on specific kinds of subsidies. "I am only a militant for consensus," the chair said during the 30 January - 1 February talks.

While Valles Games called the recent meetings fruitful, sources close to the negotiations say his text met resistance on a range of issues, and that strong divergences were apparent. Members such as Japan, the EU, Norway, Korea, Taiwan and India called for a new draft text as soon as possible – albeit with very different ideas in mind for what they want that text to look like.

Some delegates said that calling for a revised draft was not helpful, since countries doing so were not providing the chair with the tools necessary to amend it. More negotiations on the issue are needed before a new version is circulated, these delegates insisted. Chair Valles Games echoed this sentiment, and encouraged more contributions from Members.

Sources say that the call for a revised text so soon reflects differences elsewhere in the rules negotiations, especially on anti-dumping, an issue on which a separate text by Valles Games has proved deeply divisive. "When people are calling for a new text and they have only discussed three issues, that is the larger issues coming into play," one concluded.

Prohibited subsidies: same divisions

Prohibited subsidies, permitted subsidies, and special and differential treatment for developing countries were the only three of the eight articles in the text discussed at the recent meeting.

On the prohibitions (Article I), Members fell into their usual camps. Brazil, Iceland, Pakistan, the US, Argentina, New Zealand, and Ecuador, expressed support for the chair's approach. They called the level of disciplines "groundbreaking", ambitious, and a good basis for negotiations.

Australia, another supporter of a broad-based ban, suggested that the list of prohibitions in Valles Games' text might not go far enough.

At the other end of the spectrum, countries including Japan, the EU, Taiwan, Norway, and Canada said that the prohibitions went too far. Japan said that the text lacked balance, and called for permitting subsidies for bait, fuel, insurance, and port infrastructure. The EU, though less categorical, expressed similar concerns, pointing to the effect of high oil prices on small fishermen. Taiwan said that the prohibitions went well beyond the Doha mandate to deal with payments that cause overfishing; Canada pointed to an OECD report suggesting that two-thirds of fisheries subsidies were beneficial.

Small and vulnerable economies, including the Solomon Islands, Thailand and El Salvador, urged the chair to remove developing country subsidies for fish processing and port infrastructure off the prohibited list.

Valles Games challenged delegates opposed to his approach to explain how the listed prohibited subsidies do not promote overcapacity fishing.

Small-scale fishermen attract large-scale attention

As for the subsidies that Valles Games' text permitted, the EU, Japan, Canada, Norway, Korea, Taiwan and Hong Kong urged allowing all Members to be allowed to subsidise small-scale fishermen in ways currently permitted for developing countries alone. They argued that such fishermen were among the most vulnerable populations in developed countries as well as poor ones.

The EU argued that governments need space to provide small fishing communities with the assistance necessary to develop their sectors and subsist; Korea encouraged members to look at small-scale fishing from a social welfare perspective. Canada called for exempting its programmes for small-scale fishing in aboriginal communities.

Norway argued that small-scale fisheries account for only 7 percent of the country's annual catch. Japan similarly claimed that its small fishermen did not contribute to overfishing. Furthermore, their numbers were declining, Japan noted.

India was particularly vocal on the issue of small-scale fishermen, albeit for different reasons. It stressed that most fishing in India is small-scale and does not contribute to overfishing, and therefore should be exempt from prohibition.

India was objecting to the text's provisions allowing developing countries to make otherwise-banned payments on the condition that they are linked to international-standard fishery management systems that follow practices such as those in UN accords on migratory fish stocks, and a Food and Agriculture Organisation code of conduct on responsible fisheries. In effect, India is arguing that these requirements, though motivated by conservation and sustainability concerns, would effectively make the exceptions impossible to use.

"The proposed WTO rules hold the threat to curtail the ability of developing countries to provide support to their artisan and small fishermen, and encourage fishing in their economic exclusive zone," said Indian commerce department official Jayanta Dasgupta in January to a Chennai audience, according to the Financial Express.

During the talks at the WTO last week, the Indian delegation invited Valles Games to visit the country's fishing villages and witness the situation firsthand.

New Zealand and Chile, among others, were reportedly not convinced by the arguments presented in favour of allowing exceptions for small fishermen in developed countries. Here, New Zealand cited an FAO document claiming that small-scale fishing accounts for significant proportions of developed countries' fishing fleets. In the case of the EU and Japan, small-scale fishermen make up 80 and 90 percent of their fleets, respectively, as cited in the report.

Size matters

As for the text's other provisions for special and differential treatment (S&DT) for developing countries, discussions were dominated by Barbados, the

Philippines, Vietnam, and Mauritius on behalf of the African, Caribbean, and Pacific (ACP) group of states, which urged for disciplines to be relaxed, notably on boat length.

The text permits developing countries to provide subsidies based on certain conditions such as the size and capacity of the fishing vessels, currently capped at 10 metres.

Delegates opposed to relaxing the limit argued that doing so would nullify the purpose of the provision, since the average length of a fishing boat is 10-15 metres with a capacity of 20 gross tonnes. "At the end of the day, where do we draw the line and what is appropriate at that line?" said one delegate.

Policy space was another focus of attention. The Solomon Islands, Barbados, and South Africa argued that spending on port infrastructure should not face restrictions, saying that the text's disciplines would limit their policy space for developing fisheries industries.

Not all reactions were critical, however. Barbados, on behalf of the small and vulnerable economies, commended the chair for taking into account the group's needs on special and differential treatment. The Solomon Islands thanked him for exempting access fees from the list of prohibited subsidies. These fees, typically offered by rich country governments to a coastal state in exchange for the right to fish in the latter's waters, are a crucial source of revenue for some coastal countries – a source that they are keen to protect. In the chair's text, government-to-government subsidies are not considered subsidies and are thus not vulnerable to being challenged at the WTO.

Hoping for smoother waters ahead

As negotiators look ahead, they say compromise is necessary for the talks to advance. Valles Games encouraged delegates to be sure that "when the ship reaches the port, it is balanced." But with such strong divergences, delegates are concerned about how the talks will play out.

The EU said that the negotiations were not in a good position because supporters of a broad ban were significantly happier than the other camp, sources report.

The next fisheries subsidy negotiations are scheduled for mid-February, when of the rest of the text will be discussed. Provisions requiring an FAO peer review of fisheries management systems are likely to prove most contentious. Valles Games has asked delegates to consider inviting someone from the FAO to participate, in order to clarify the outside institution's potential role.

The draft text is available online at http://www.wto.org/english/news_e/news07_e/rules_no_v07_e.doc.

ICTSD reporting; "India wants to stop proposed WTO rules on fisheries subsidies," FINANCIAL EXPRESS, 18 January 2008.

OTHER NEWS

GENERAL COUNCIL PAVES WAY FOR UKRAINE TO JOIN WTO

WTO Members rubber stamped Ukraine's bid to become the 152nd Member of the global trade body on 5 February, approving the former Soviet state's terms of accession after 14 years of negotiations.

Ukraine's parliament will have until 4 July to ratify the agreement, although this could be extended. Ukraine would formally become a WTO Member 30 days after ratification.

The vote by the General Council, the WTO's top permanent decision-making body, was largely a formality, after the working party on Ukraine's accession accepted its terms of entry.

Ukrainian President Viktor Yushchenko, who came to Geneva to attend the meeting, declared that "Ukraine's membership to the WTO is truly an historic moment and is a decisive milestone in the development of our economy. We are convinced that our efforts will yield results and allow us to build closer economic ties worldwide."

Yushchenko forecast that GDP would grow by an extra 1.7 percentage points as a result of WTO Membership, reports Reuters. He was especially optimistic about farm exports, predicting that they could rise by up to 44 percent.

An analysis in UK newspaper The Times said that Ukraine's WTO accession "shows that the trade organisation still has pulling power as a club that countries want to join," to the extent that they are willing to make difficult economic reforms in order to do so.

WTO Members' inability thus far to conclude the Doha Round of trade negotiations, even after over six years of talks, has caused some to question the long-term effectiveness of the institution.

"Ukraine's WTO membership will strengthen the multilateral trading system and provide this country with

a stable and predictable trade environment that will boost its growth and prosperity,” said WTO Director-General Pascal Lamy.

WTO Membership gives Ukraine guaranteed access to the markets of all other Member nations. It also gives Kiev access to the global trade arbiter's dispute settlement procedures in case its trade interests are harmed. This could be particularly useful when neighbour Russia, with which it has an important but strained trading relationship, joins the WTO. Bloomberg reports that the US and the EU will have to drop import limits on Ukrainian steel once the country joins the WTO.

Ukraine's accession commitments required it to cap tariffs at an average of 10.66 percent for agricultural products and 4.95 percent for industrial goods, and to open up a new import quota for heavily-protected sugar. In addition, it has promised not to subsidise agricultural exports, and to limit trade-distorting domestic farm support to roughly \$613 million annually.

Kiev will eliminate duties on products including civil aircraft, construction equipment, distilled spirits, pharmaceuticals, certain chemicals and petroleum oils, medical equipment, wood, pulp and paper, steel, information technology products, furniture, and toys.

As for services trade, Ukraine has made binding commitments to open its market to foreign competition in sectors such as business services, communication services, construction, distribution, education and environmental services, financial services, health and social services, tourism, and transport services.

Ukraine also agreed to fully comply with multilateral rules on intellectual property protection and trade-related investment measures as soon as it joins the WTO, without any transition period.

With a population of 46.6 million and a GDP of \$106 billion in 2006, Ukraine is the largest country other than Russia and Iran not currently a member of the WTO.

ICTSD reporting; “The world club with real pulling power,” THE TIMES, 5 February 2008; “Ukraine Wins WTO Entry Bid, Anticipates Growth Pickup,” BLOOMBERG, 5 February 2008; “Ukraine president sees WTO boost to economy,” REUTERS, 5 February 2008.

IN BRIEF

EU-KOREA FREE TRADE NEGOTIATIONS '70 PERCENT COMPLETE'

The EU and South Korea announced that they made great strides during free trade agreement (FTA) negotiations last week, agreeing to provisions on anti-dumping, dispute settlement, intellectual property and subsidies.

The week-long discussions, marking the sixth round of meetings between the two, ended on 1 February.

The bilateral FTA talks began in May 2007. Though initially expected to conclude by the end of that year, the discussions hit snags on a couple of key provisions, including automobile trade, tariffs, and rules of origin. One sticking point was the EU's demand for the same concessions on auto trade that Seoul granted the US in a separate bilateral deal signed last year.

Prior to this week's talks, both sides agreed to shelve the contentious issues until the rest of the agreement was hammered out.

Now, while EU Chief Negotiator Ignacio Garcio Bercero says that the talks are '70 percent complete', the remaining agreements will be the most difficult to negotiate.

Nevertheless, South Korea's chief negotiator, Kim Han-Soo, was positive about the progress, saying “both sides approached the talks seriously with a willingness to get something done ... [and] we've begun to produce results.”

Currently, the agreement calls for the EU to eliminate all tariffs on South Korean goods within seven years, with 80 percent of goods tariffs phased out within three years. South Korea has agreed to remove tariffs on 68 percent of all EU goods, measured by value, in 3 years. Also, negotiators came to agreements on sustainable development, services, and establishment rights for foreign investors.

The next round of negotiations should take place in April. Garcio Bercero said that it would take “political efforts from both sides” in order to complete the negotiations on the contentious protections.

The EU considers Korea's strict domestic auto standards unacceptable, and hopes that Seoul will agree to abide by international standards.

Conversely, Korean manufacturers, who outsource many production capacities, want Brussels to relax its origin requirements, which call for 60 percent of a finished item to be produced in Korea in order to enter the EU under the FTA.

The EU and South Korea are major trade partners, with two-way trade valued at \$80 billion in 2006. An eventual agreement could stand to boost that number by 50 percent.

ICTSD Reporting; "EU reports progress on trade deal with S Korea" FINANCIAL TIMES, 1 February 2008; "EU negotiator sees progress in free trade talks with South Korea" ASSOCIATED PRESS, 1 February 2008; "EU says "enormous" progress made in trade talks with S Korea" AGENCE FRANCE PRESSE, 1 February 2008.

WTO IN BRIEF

ENERGY, SERVICES HOLDING BACK ALGERIA'S WTO ACCESSION TALKS

Algeria must pick up the pace of economic reforms to hasten its accession to the WTO, said EU Trade Commissioner Peter Mandelson this week.

Speaking at a press conference in Algiers, Mandelson praised the country's economic growth, suggesting it had been bolstered by reforms undertaken by the Algerian government. Nevertheless, he called on Algeria to "go deeper and faster in its reform process," according to a report in El Watan daily. "Algeria is too late to be timid," he said.

Regarding Algeria's bilateral market access negotiations with the EU, part of the country's WTO accession process, the EU trade chief said that unresolved questions over energy and services trade must be addressed. The major stumbling blocks include Algeria's double pricing of energy, with different prices for the domestic and international markets, and the slow pace of services liberalisation.

As all other applicants for admission to the global trade body, Algeria must negotiate agreements with any WTO Member that wishes to do so, with the deepest market access commitments ultimately extended multilaterally. Its accession negotiations began in 1998, seven years after it dropped socialist economic policies for market-oriented reforms.

El Watan reports that Mandelson's visit saw progress on the energy pricing issue, with the commissioner saying "we are now in the phase of final clarifications." However, no advances were made on services trade liberalisation, where the EU would like to see more banking transparency and a general openness to foreign investment.

Mandelson rejected suggestions that Algeria's membership in the WTO was being held up over disagreements with the EU, noting that the WTO's other members had timetables of their own.

Algeria claims that its subsidised domestic price scheme encourages a favourable business climate for foreign investors, an argument that the EU does not accept. The EU's past WTO accession agreements with Russia and Saudi Arabia, though they required energy pricing to fully consider costs and reasonable profit (with a consequent decrease in the difference between domestic and international prices), stopped short of insisting on a uniform price at home and abroad.

The EU and Algeria signed an association agreement in 2005 as part of EU efforts to promote economic integration in the African Mediterranean. Subsequently Algeria asked the EU for help in accelerating its WTO accession in 2006.

Trade between the two is valued as just over €34 billion, mostly from oil and gas imports into the EU.

ICTSD reporting; "<<L'Algerie est trop en retard>>", EL WATAN, 5 February 2008; "L'Algerie peut compter sure le soutien de l'UE," EL MOUDJAHID, 5 February 2008; "Algeria – WTO talks stumbling on Energy, Services", REUTERS, 5 February 2008. "Local Gas Prices shall Increase", EL KHABAR, 5 February 2008.

GENERAL COUNCIL APPROVES COMMITTEE CHAIRS FOR 2008

The WTO General Council on 6 February formally approved the list of chair appointments to the thirteen regular WTO committees for 2008.

Ambassador Bruce Gosper (Australia) replaces Muhamad Noor Yacob (Malaysia) at the head of the General Council, the organisation's top permanent decision-making body. His foremost task in that role will be to work with Director-General Pascal Lamy to help guide the troubled Doha Round negotiations through to conclusion. Australian WTO Ambassador Mario Matus (Chile) replaces Gosper as chair of the Dispute Settlement Body, and Ambassador Yonov Frederick

Agah (Nigeria) becomes the new head of the Trade Policy Review Body.

The Council for Trade-related Aspects of Intellectual Property Rights (TRIPS) will be chaired by Ambassador Gail Marie Mathurin (Jamaica), while Belgian Ambassador Alex van Meeuwen will head up the Council for Trade in Services.

Singaporean Ambassador Karen Tan will take over as chair of the Council for Trade in Goods. Mauritian Ambassador Shree Baboo Chekitan Servansing will stay on as chair of the Committee on Trade and Development, while Ambassador Wieslaw Karsz (Poland) will chair the Committee on Trade and Environment.

The chairs of the eight Doha Round negotiating bodies will remain unchanged, with the exception of the Special Session of the Committee on Trade and Environment, which will now be chaired by Ambassador Manuel Teehankee (Philippines). His term will run until the next Ministerial Conference, which has not been scheduled.

The slate of candidates was put together by outgoing General Council Chair Noor, on the basis of consultations with Members.

The complete list of chairs for 2008 is available online at http://www.wto.org/english/news_e/pres08_e/pr512_e.htm.

ICTSD reporting.

EVENTS & RESOURCES

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at: <http://www.ictsd.org/cal/index.htm>. If you would like to submit an event, please email events@ictsd.ch.

Coming up: 7-13 February

7-8 February, Geneva, Switzerland: COMMISSION ON TRADE IN GOODS AND SERVICES – 12th SESSION ORGANIZED BY THE UN CONFERENCE ON TRADE AND DEVELOPMENT. The Commission will examine globalization's contribution to development from a trade perspective. Also, there will be reports from two expert meetings, one on the trade and development implications of financial services and the other on the

South-South dimension of world trade. Internet: <http://www.unctad.org/Templates/Meeting.asp?intlItemID=1942&lang=1&m=14642&year=2008&month=2>

7-9 February, New Delhi, India: DELHI SUSTAINABLE DEVELOPMENT SUMMIT 2008: SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE. This conference will offer a platform for leading figures from North and South to address the vital issues of climate change and sustainable development, and to set the stage for an intensified search for global solutions during the year. Internet: <http://www.teriin.org/dsds/2008/>

12-13 February, Geneva, Switzerland: COMMISSION ON INVESTMENT, TECHNOLOGY AND RELATED FINANCIAL ISSUES – 12th SESSION ORGANIZED BY THE UN CONFERENCE ON TRADE AND DEVELOPMENT. The Commission will consider the reports of its expert meetings and of intergovernmental groups of experts as well as a substantive agenda item on foreign direct investment and financing for development. For further information please contact Ms. Christiane Stepanek-Allen tel: +41 (0)22 917 4519. Internet: <http://www.unctad.org/Templates/Meeting.asp?intlItemID=1942&lang=1&m=14643&year=2008&month=2>

14-15 February, New York, US: UN FINANCING FOR DEVELOPMENT REVIEW SESSION ON CHAPTERS I-II OF THE MONTERREY CONSENSUS. This meeting will be held as part of the preparatory process to the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha, Qatar, in November 2008. For more information contact: Finance for Development Office; tel: +1-212-963-2587; fax: +1-212-963-0443; Internet: <http://www.un.org/esa/ffd/index.htm>

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/meets_public/meets_e.pdf. Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

8 February: WTO DISPUTE SETTLEMENT BODY

11-13 February: WTO TRADE POLICY REVIEW – MEXICO

Other Upcoming Events

20-25 April, Accra, Ghana: TWELFTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD XII). The theme of UNCTAD XII is addressing the opportunities and challenges of globalisation for development. The conference will look at enhancing coherence at all levels for sustainable economic development and poverty reduction in global policy making; key trade and development issues in the world economy; enhancing the enabling environment at all levels to strengthen productive capacity, trade and investment; and strengthening UNCTAD. Internet: <http://www.unctadxii.org/en/>

RESOURCES

DEVELOPING COUNTRIES AND ENFORCEMENT OF TRADE AGREEMENTS: WHY DISPUTE SETTLEMENT IS NOT ENOUGH. By Chad Brown and Bernard Hoekman. The World Bank, 2007. This paper describes how poor countries are rarely challenged in formal World Trade Organization trade disputes for failing to live up to commitments, thus reducing the benefits of their participation in international trade agreements. It examines the political-economic causes of the failure to challenge poor countries, and discusses the static and dynamic costs and externality implications of this failure. Given the weak incentives to enforce World Trade Organization rules and disciplines against small and poor members, bolstering the transparency function of the World Trade Organization is important for making trade agreements more relevant to trade constituencies in developing countries. Although the paper focuses on the World Trade Organization system, the arguments also apply to reciprocal North-South trade agreements. The paper is available online at www-wds.worldbank.org

EROSION OF TRADE PREFERENCES IN THE POST-HONG KONG FRAMEWORK: FROM TRADE IS BETTER THAN AID TO AID FOR TRADE. UNCTAD, 2007. This study examines which products and countries have benefited the most from existing preferences granted by the United States, Japan and the European Union and what the likely effects will be of preference erosion. It asks what the relationship is between preference erosion and recent proposals for aid for trade and the Enhanced Integrated Framework for trade-related technical assistance to LDCs, a joint initiative of UNCTAD, the WTO, the International Trade Centre, UNDP, the IMF and the World Bank. The study finds that although there has been some progress in widening the scope of trade preferences for LDCs, the issue of erosion of trade preferences remains to be addressed to the satisfaction of many developing

countries. The study is available online at www.unctad.org/en/docs/ldc20056_en.pdf

CLOTHING AND EXPORT DIVERSIFICATION - STILL A ROUTE TO GROWTH FOR LOW INCOME COUNTRIES? By Paul Benton and Membert Hoppe. The World Bank, 2007. This paper assesses whether the clothing sector can still be a driver of export diversification and growth for today's low income countries. It takes into account key changes to the market for clothing; the emergence of India and China as exporting countries, the rise of global production chains; the removal of quotas from the global trading regime but the continued presence of high tariffs and substantial trade preferences; the increasing importance of large buyers in developed countries and their concerns regarding risk and reputation; and the increased importance of time in defining sourcing decisions. The analysis identifies the quality of governance as an important determinant of sourcing decisions and that there appears to be a general bias against sourcing apparel from African countries, which is only partially overcome by trade preferences. The paper is available online at www.cid.harvard.edu/cidtrade/GTN/Current%20Research/Clothing%20&%20Export%20Diversification.pdf

LIBERALIZATION OF TRADE IN HEALTH CARE SERVICES; BALANCING MODE 4 INTERESTS WITH OBLIGATIONS TO PROVIDE UNIVERSAL ACCESS TO BASIC SERVICES. By Joy Kategekwa. South Centre, 2008. An increasingly important phenomenon in globalization is the movement of health service suppliers from developing to developed countries. This paper responds to concerns over what this movement means for pre-existing obligations on States, particularly the provision of universal access to basic health services. Developing countries are actively engaged in the WTO GATS negotiations for enhanced market access and national treatment commitments for the presence of their natural persons supplying services in developed country markets. This paper examines the possible clash between interests and obligations with thought going into possible policy options that governments may consider in attempting to balance the situation. This paper is available online at www.southcentre.org/publications/researchpapers/ResearchPapers16.pdf

Back issues of **BRIDGES Weekly Trade News Digest**© can be accessed at: <http://www.ictsd.org/weekly/archive.htm>.

BRIDGES Weekly Trade News Digest© is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org/>.

Contributors to this issue of **BRIDGES Weekly Trade News Digest**© are Trineesh Biswas, Rob Cottrell, and Caitlin Zaino. Editor: Trineesh Biswas. Director: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 7, ch. de Balexert, 1219

Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from **BRIDGES Weekly Trade News Digest**© may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

BRIDGES Weekly Trade News Digest is made possible through the generous support of the Government of the United Kingdom (DFID) and ICTSD's core donors including the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK) and NOVIB (NL). **BRIDGES Weekly** also benefits from support for the BRIDGES series of publications from donors including the Rockefeller Foundation and the Swiss Agency for Development and Cooperation. ISSN 1563-0